

**Supplemental Reporting Document  
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May 2011 Investment Committee Meeting  
(March 2011 Reporting Period)**

**Chief Investment Officer's/Chief Operating Investment Officer's Report**

Asset Allocation

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# TARGET PERCENTAGE COMPARISON

## ASSET ALLOCATION <sup>1</sup>

As of March 31, 2011

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Target<sup>2</sup></u> (%)	<u>Target Range<sup>2</sup></u>	<u>Difference (B-C)</u> (%)
Domestic Equity <sup>3</sup>	24.7	24.5		0.2
International Equity	<u>27.9</u>	<u>24.5</u>		<u>3.4</u>
<b>Global Equity</b>	<b>52.6</b>	<b>49.0</b>	<b>44-54%</b>	<b>3.6</b>
Domestic Fixed Income	19.0	18.0		1.0
International Fixed Income	<u>1.5</u>	<u>2.0</u>		<u>-0.5</u>
<b>Global Fixed Income</b>	<b>20.5</b>	<b>20.0</b>	<b>15-25%</b>	<b>0.5</b>
<b>AIM</b>	<b>14.2</b>	<b>14.0</b>	<b>9-19%</b>	<b>0.2</b>
<b>Real Estate</b>	<b>7.6</b>	<b>10.0</b>	<b>5-15%</b>	<b>-2.4</b>
<b>Inflation Linked</b>	<b>3.4</b>	<b>5.0</b>	<b>2-5%</b>	<b>-1.6</b>
<b>Cash Equivalents</b>	<b>1.7</b>	<b>2.0</b>	<b>0-5%</b>	<b>-0.3</b>
<b>Total Fund</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>		

<sup>1</sup> As allocated to managers.

<sup>2</sup> Asset Allocation Targets approved by Investment Committee in June 2009.

<sup>3</sup> Included is MDP Investment: LM Capital Investment: Total Market Value = **\$248.9 million**

\* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

# TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of March 31, 2011

(A) <u>Asset Class</u>	(B) Actual <u>Allocation</u> (\$ Billion)	(C) <u>Target<sup>1</sup></u> (\$ Billion)	(D) Difference <u>(B-C)</u> (\$ Billion)
Domestic Equity <sup>2</sup>	57.7	57.2	0.5
International Equity	<u>65.2</u>	<u>57.2</u>	<u>7.9</u>
<b>Global Equity</b>	122.9	114.5	8.4
Domestic Fixed Income	44.4	42.0	2.3
International Fixed Income	<u>3.4</u>	<u>4.7</u>	<u>-1.3</u>
<b>Global Fixed Income</b>	47.8	46.7	1.1
<b>AIM</b>	33.2	32.7	0.5
<b>Real Estate</b>	17.7	23.4	-5.6
<b>Inflation Linked</b>	8.0	11.7	-3.7
<b>Cash Equivalents</b>	3.9	4.7	-0.7
<b>Total Fund</b>	<u><u>233.6</u></u>	<u><u>233.6</u></u>	

<sup>1</sup> Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee June 2009

<sup>2</sup> Included is MDP Investment: LM Capital Investment: Total Market Value = **\$248.9 million**

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# MONTHLY PROGRESS REPORT

## ASSET ALLOCATION <sup>1</sup>

As of March 31, 2011

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	2/28/2011 Actual Allocation (\$ Billion)	3/31/2011 Actual Allocation (\$ Billion)	Difference (C-B) (\$ Billion)	Target <sup>2</sup> (\$ Billion)
Domestic Equity <sup>3</sup>	58.5	57.7	-0.8	57.2
International Equity	<u>65.1</u>	<u>65.2</u>	<u>0.1</u>	<u>57.2</u>
<b>Global Equity</b>	123.6	122.9	-0.7	114.5
Domestic Fixed Income	44.4	44.4	0.0	42.0
International Fixed Income	<u>3.4</u>	<u>3.4</u>	<u>0.0</u>	<u>4.7</u>
<b>Global Fixed</b>	47.8	47.8	0.0	46.7
<b>AIM</b>	31.7	33.2	1.5	32.7
<b>Real Estate</b>	16.6	17.7	1.1	23.4
<b>Inflation Linked</b>	6.9	8.0	1.1	11.7
<b>Cash Equivalents</b>	4.7	3.9	-0.7	4.7
<b>Total Fund</b>	<u><u>231.4</u></u>	<u><u>233.6</u></u>	<u><u>2.2</u></u>	<u><u>233.6</u></u>

<sup>1</sup> Monthly progress report toward policy targets.

<sup>2</sup> Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee June 2009

<sup>3</sup> Included is MDP Investment: LM Capital Investment: Total Market Value = **\$248.9 million**

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# BOOK VS MARKET VALUE

As of March 31, 2011

(A)	(B)	(C)	(D)
<u>Asset Class</u>	<u>Book Value</u> <sup>2</sup>	<u>Market Value</u> <sup>3</sup>	Difference
	(\$ Billion)	(\$ Billion)	(C - B)
			(\$ Billion)
Domestic Equity <sup>1</sup>	38.5	57.7	19.2
International Equity	<u>57.2</u>	<u>65.2</u>	<u>8.0</u>
<b>Global Equity</b>	<b>95.6</b>	<b>122.9</b>	<b>27.3</b>
Domestic Fixed Income	33.7	44.4	10.7
International Fixed Income	<u>3.2</u>	<u>3.4</u>	<u>0.2</u>
<b>Global Fixed Income</b>	<b>37.0</b>	<b>47.8</b>	<b>10.8</b>
<b>AIM</b>	<b>32.9</b>	<b>33.2</b>	<b>0.3</b>
<b>Real Estate</b>	<b>21.7</b>	<b>17.7</b>	<b>-4.0</b>
<b>Inflation Linked</b>	<b>7.3</b>	<b>8.0</b>	<b>0.7</b>
<b>Cash Equivalents</b> <sup>4</sup>	<b>4.3</b>	<b>3.9</b>	<b>-0.3</b>
	<hr/>	<hr/>	<hr/>
<b>Total Fund</b>	<b><u>198.9</u></b>	<b><u>233.6</u></b>	<b><u>34.7</u></b>

<sup>1</sup> Included is MDP Investment- LM Capital Investment: Total Book Value= **\$241.5 million**, Total Market Value=**\$248.9 million**.

<sup>2</sup> Total value of assets at cost minus liabilities.

<sup>3</sup> Total value of assets at market.

<sup>4</sup> Currency Overlay Funds are included in Cash value.

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## GROSS PERFORMANCE VS EXPECTED RETURNS

One Year

April 1, 2010 to March 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Actual</u> <u>Allocation</u> (%)	<u>Asset</u> <u>Return</u> (%)	<u>CalPERS Long-Term</u> <u>Expected Annual Return</u> <sup>1</sup> (%)	<u>Expected</u> <u>Standard Deviation</u> <sup>1</sup> (%)	<u>One</u> <u>Standard Deviation</u> <u>Range</u> (%)
Domestic Equity	24.7	17.3	7.00	15.50	-8.50 - 22.50
International Equity	<u>27.9</u>	14.3	7.00	17.50	-10.50 - 24.50
<b>Global Equity</b>	52.6	15.6			
Domestic Fixed Income	19.0	8.6			
International Fixed Income	<u>1.5</u>	10.8			
<b>Global Fixed Income</b>	20.5	8.6	3.00	6.50	-3.50 - 9.50
<b>AIM</b>	14.2	22.7	10.00	25.00	-15.00 - 35.00
<b>Real Estate</b>	7.6	4.4	6.00	17.00	-11.00 - 23.00
<b>Inflation Linked</b>	3.4	11.9	4.00	5.75	-1.75 - 9.75
<b>Cash Equivalents</b>	<u>1.7</u>	<u>0.3</u>	<u>1.25</u>	<u>1.50</u>	<u>-0.25 - 2.75</u>
<b>Total Fund</b>	<u><u>100.0</u></u>	<u><u>13.1</u></u>	<u><u>8.46</u></u>	<u><u>11.40</u></u>	<u><u>-2.94 - 19.86</u></u>

<sup>1</sup> Investment Committee Meeting December 2007

Note: Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income

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## NET PERFORMANCE VS EXPECTED RETURNS

One Year  
April 1, 2010 to March 31, 2011

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>Asset Return</u> (%)	<u>CalPERS Long-Term Expected Annual Return</u> <sup>1</sup> (%)	<u>Expected Standard Deviation</u> (%)	<u>One Standard Deviation Range</u> (%)
Domestic Equity	24.7	17.2	7.00	15.50	-8.50 - 22.50
International Equity	27.9	14.3	7.00	17.50	-10.50 - 24.50
<b>Global Equity</b>	<b>52.6</b>	<b>15.5</b>			
Domestic Fixed Income	19.0	8.6			
International Fixed Income	1.5	10.6			
<b>Global Fixed Income</b>	<b>20.5</b>	<b>8.6</b>	<b>3.00</b>	<b>6.50</b>	<b>-3.50 - 9.50</b>
<b>AIM</b>	<b>14.2</b>	<b>22.7</b>	<b>10.00</b>	<b>25.00</b>	<b>-15.00 - 35.00</b>
<b>Real Estate</b>	<b>7.6</b>	<b>2.7</b>	<b>6.00</b>	<b>17.00</b>	<b>-11.00 - 23.00</b>
<b>Inflation Linked</b>	<b>3.4</b>	<b>11.3</b>	<b>4.00</b>	<b>5.75</b>	<b>-1.75 - 9.75</b>
<b>Cash Equivalents</b>	<b>1.7</b>	<b>0.3</b>	<b>1.25</b>	<b>1.50</b>	<b>-0.25 - 2.75</b>
<b>Total Fund</b>	<b>100.0</b>	<b>12.9</b>	<b>8.46</b>	<b>11.40</b>	<b>-2.94 - 19.86</b>

<sup>1</sup> Investment Committee Meeting December 2007

Note: Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income

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# GROSS RETURNS

One Year

April 1, 2010 to March 31, 2011

	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
Domestic Equity	17.31%	0.11%	17.20%
International Equity	14.32%	0.05%	14.27%
<b>Global Equity</b>	<b>15.58%</b>	<b>0.08%</b>	<b>15.50%</b>
Domestic Fixed Income	8.58%	0.00%	8.58%
International Fixed Income	10.79%	0.15%	10.64%
<b>Global Fixed Income</b>	<b>8.64%</b>	<b>0.01%</b>	<b>8.63%</b>
<b>AIM</b>	<b>22.68%</b>	<b>0.01%</b>	<b>22.67%</b>
<b>Real Estate</b>	<b>4.37%</b>	<b>1.69%</b>	<b>2.68%</b>
<b>Inflation Linked</b>	<b>11.92%</b>	<b>0.61%</b>	<b>11.31%</b>
<b>Cash Equivalents</b>	<b>0.30%</b>	<b>0.00%</b>	<b>0.30%</b>
<b>Total Fund</b>	<b>13.10%</b>	<b>0.20%</b>	<b>12.90%</b>

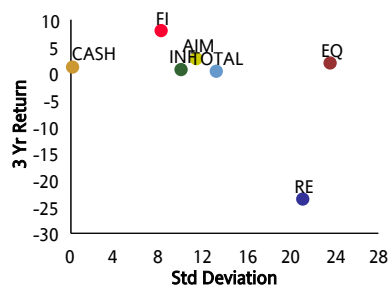


## Plan Performance Summary

### Gross of Manager Fees

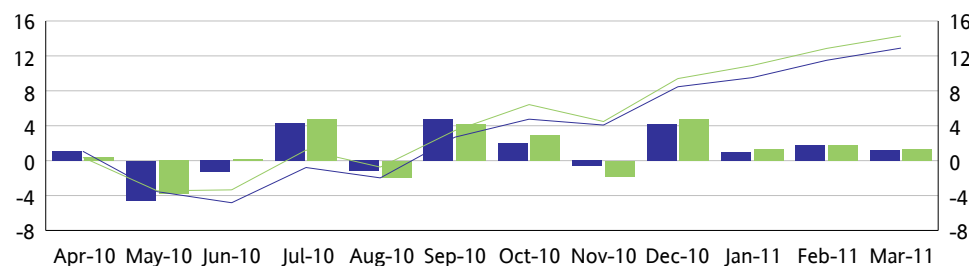


#### Risk Profile



	Information Ratio	Tracking Error
TOTAL FUND	-1.04	3.78
TOTAL GLOBAL EQUITY	-0.82	1.24
TOTAL GLOBAL FIXED INCOME	0.34	4.18
TOTAL AIM	-0.67	15.12
TOTAL REAL ESTATE	-1.29	17.30
TOTAL INFLATION LINKED	-0.52	9.89
TOTAL CASH EQUIVALENTS	1.71	0.04

#### Cumulative Performance vs Benchmark



■ Total Plan ■ CALPERS POLICY INDEX (DAILY)

#### Performance Summary

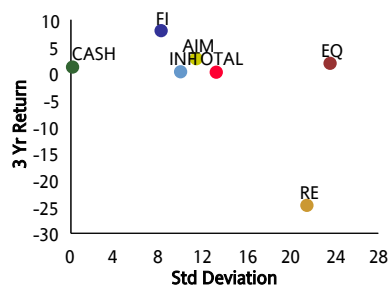
	% of Plan	MKT VAL \$(000's)	1 Month	Quarterly	FYTD	1 Year	3 Year	5 Year	10 Year
<b>TOTAL GLOBAL EQUITY</b> <i>TOTAL GLOBAL EQ EX AIM BENCHMARK (DAILY)</i>	<b>52.6%</b>	<b>122,893,924</b>	<b>0.26</b> 0.18	<b>4.47</b> 4.40	<b>29.86</b> 29.67	<b>15.58</b> 15.29	<b>1.66</b> 2.67	<b>3.01</b> 3.78	<b>5.33</b> 5.54
<b>TOTAL GLOBAL FIXED INCOME</b> <i>CalPERS Total GBL Fixed Income Policy (DAILY)</i>	<b>20.2%</b>	<b>47,144,640</b>	<b>0.05</b> 0.18	<b>1.11</b> 0.56	<b>4.24</b> 2.42	<b>8.64</b> 7.83	<b>7.72</b> 6.32	<b>7.85</b> 7.02	<b>7.49</b> 6.75
<b>TOTAL AIM</b> <i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>	<b>14.2%</b>	<b>33,198,604</b>	<b>5.24</b> 7.10	<b>7.76</b> 12.40	<b>17.59</b> 12.81	<b>22.68</b> 20.44	<b>2.45</b> 12.52	<b>10.35</b> 14.34	<b>6.92</b> 8.28
<b>TOTAL REAL ESTATE</b> <i>90% NPI+200 BPS / 10% FTSE EP</i>	<b>7.6%</b>	<b>17,742,406</b>	<b>6.06</b> 4.19	<b>6.40</b> 4.94	<b>9.63</b> 15.49	<b>4.37</b> 15.89	<b>-23.84</b> -1.49	<b>-9.55</b> 5.24	<b>4.52</b> 8.28
<b>TOTAL INFLATION LINKED</b> <i>CPI+400 BPS 1 MONTH LAGGED</i>	<b>3.4%</b>	<b>8,013,617</b>	<b>1.18</b> 0.82	<b>4.28</b> 2.14	<b>12.94</b> 4.46	<b>11.92</b> 6.18	<b>0.42</b> 5.55		
<b>TOTAL CASH EQUIVALENTS</b> <i>PERS CUSTOM STIF NET OF FEES (DAILY)</i>	<b>1.8%</b>	<b>4,287,154</b>	<b>0.02</b> 0.02	<b>0.07</b> 0.06	<b>0.23</b> 0.20	<b>0.30</b> 0.25	<b>0.89</b> 0.83	<b>2.58</b> 2.51	<b>2.55</b> 2.37
<b>OVERLAY + ASSET ALLOC TRANSITION</b>	<b>0.1%</b>	<b>330,427</b>							
<b>TOTAL FUND</b> <i>CALPERS POLICY INDEX (DAILY)</i>	<b>100.0%</b>	<b>233,610,771</b>	<b>1.31</b> 1.26	<b>4.15</b> 4.46	<b>18.79</b> 18.24	<b>13.10</b> 14.28	<b>0.11</b> 4.03	<b>3.17</b> 5.46	<b>5.71</b> 6.47

## Plan Performance Summary

### Net of Manager Fees

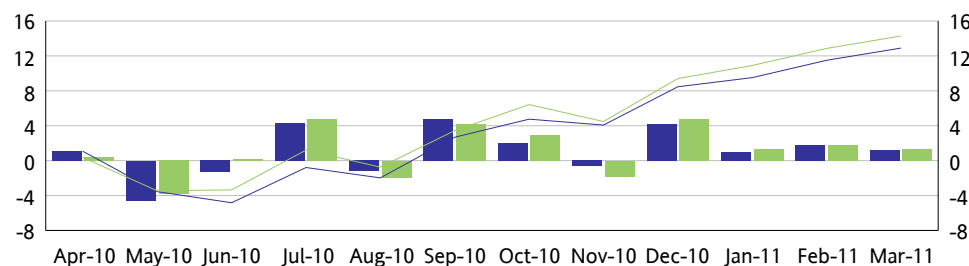


#### Risk Profile



	Information Ratio	Tracking Error
TOTAL FUND	-1.08	3.82
TOTAL GLOBAL EQUITY	-0.86	1.25
TOTAL GLOBAL FIXED INCOME	0.33	4.18
TOTAL AIM	-0.67	15.12
TOTAL REAL ESTATE	-1.33	17.75
TOTAL INFLATION LINKED	-0.56	9.85
TOTAL CASH EQUIVALENTS	1.71	0.04

#### Cumulative Performance vs Benchmark



■ Total Plan ■ CALPERS POLICY INDEX (DAILY)

#### Performance Summary

	% of Plan	MKT VAL \$(000's)	1 Month	Quarterly	FYTD	1 Year	3 Year	5 Year	10 Year
<b>TOTAL GLOBAL EQUITY</b> <i>TOTAL GLOBAL EQ EX AIM BENCHMARK (DAILY)</i>	<b>52.6%</b>	<b>122,893,924</b>	<b>0.25</b> 0.18	<b>4.46</b> 4.40	<b>29.78</b> 29.67	<b>15.50</b> 15.29	<b>1.59</b> 2.67	<b>2.95</b> 3.78	<b>5.27</b> 5.54
<b>TOTAL GLOBAL FIXED INCOME</b> <i>CalPERS Total GBL Fixed Income Policy (DAILY)</i>	<b>20.2%</b>	<b>47,144,640</b>	<b>0.05</b> 0.18	<b>1.10</b> 0.56	<b>4.24</b> 2.42	<b>8.63</b> 7.83	<b>7.71</b> 6.32	<b>7.84</b> 7.02	<b>7.47</b> 6.75
<b>TOTAL AIM</b> <i>WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU</i>	<b>14.2%</b>	<b>33,198,604</b>	<b>5.24</b> 7.10	<b>7.75</b> 12.40	<b>17.59</b> 12.81	<b>22.67</b> 20.44	<b>2.45</b> 12.52	<b>10.35</b> 14.34	<b>6.91</b> 8.28
<b>TOTAL REAL ESTATE</b> <i>90% NPI+200 BPS / 10% FTSE EP</i>	<b>7.6%</b>	<b>17,742,406</b>	<b>5.42</b> 4.19	<b>5.76</b> 4.94	<b>8.18</b> 15.49	<b>2.68</b> 15.89	<b>-25.02</b> -1.49	<b>-11.37</b> 5.24	<b>1.97</b> 8.28
<b>TOTAL INFLATION LINKED</b> <i>CPI+400 BPS 1 MONTH LAGGED</i>	<b>3.4%</b>	<b>8,013,617</b>	<b>0.88</b> 0.82	<b>3.97</b> 2.14	<b>12.44</b> 4.46	<b>11.31</b> 6.18	<b>0.01</b> 5.55		
<b>TOTAL CASH EQUIVALENTS</b> <i>PERS CUSTOM STIF NET OF FEES (DAILY)</i>	<b>1.8%</b>	<b>4,287,154</b>	<b>0.02</b> 0.02	<b>0.07</b> 0.06	<b>0.23</b> 0.20	<b>0.30</b> 0.25	<b>0.89</b> 0.83	<b>2.58</b> 2.51	<b>2.55</b> 2.37
<b>OVERLAY + ASSET ALLOC TRANSITION</b>	<b>0.1%</b>	<b>330,427</b>							
<b>TOTAL FUND</b> <i>CALPERS POLICY INDEX (DAILY)</i>	<b>100.0%</b>	<b>233,610,771</b>	<b>1.26</b> 1.26	<b>4.09</b> 4.46	<b>18.62</b> 18.24	<b>12.90</b> 14.28	<b>-0.07</b> 4.03	<b>2.96</b> 5.46	<b>5.49</b> 6.47

**CALPERS INVESTMENTS IN CALIFORNIA as of March 31, 2011**

(A)	(B)	(C)	(D)	(E)	(F)
	Portfolio Value	California Investments plus Additional Commitments <sup>1</sup>	California Investments	CA Investment as % of Asset Class (D/B)	
<u>Asset Class</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	<u>Program Description or Assumption</u>
EQUITY					
Domestic Equity	57,729.3	7,968.1	7,968.1	14	CA investment is approximately 12%
International Equity <sup>2</sup>	<u>65,173.8</u>	<u>21.5</u>	<u>21.5</u>	<u>0</u>	
Global Equity	<b>122,903.1</b>	<b>7,989.6</b>	<b>7,989.6</b>	<b>7 %</b>	
FIXED INCOME					
Domestic Fixed Income	44,395.2	5,281.4	5,281.4	12	
International Fixed Income	<u>3,409.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Fixed Income	<b>47,805.1</b>	<b>5,281.4</b>	<b>5,281.4</b>	<b>11 %</b>	
AIM					
AIM	<b>33,198.6</b>	<b>5,471.8</b>	<b>3,481.0</b>	<b>10 %</b>	
REAL ESTATE					
Real Estate	<b>17,742.4</b>	<b>4,501.5</b>	<b>3,645.0</b>	<b>21 %</b>	Outstanding commitments (column C-column D/column B): 4.8%
INFLATION LINKED					
Inflation Linked	<b>8,013.6</b>	<b>78.1</b>	<b>78.1</b>	<b>0 %</b>	
CASH / CASH EQUIVALENTS					
Cash / Cash Equivalents	<b>3,948.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0 %</b>	
TOTAL FUND	<b><u>233,610.8</u></b>	<b><u>23,322.5</u></b>	<b><u>20,475.1</u></b>	<b><u>9 %</u></b>	Outstanding commitments (column C/column B): 10.0%

<sup>1</sup> Total actual investments at market value and outstanding program commitments in California

<sup>2</sup> International equity includes global funds that may invest globally, which would include investments in the State of California

Note: Due to reporting constraints, the California Investments in Real Estate are as of January 31, 2011.

Due to reporting constraints, the California Investments in Inflation Linked Assets are as of February 28, 2011.

AIM company investments are as of September 30, 2010 and commitments to partnerships focused on California are as of March 31, 2011

When summing net amounts on this report, there may be breakage.

**Investment Committee**  
**May 16, 2011**

**OPEN SESSION**  
**Chief Investment Officer's / Chief Operating Investment Officer's Report**  
**DISCLOSURE OF CLOSED SESSION ACTION ITEMS**

<b>Investment Committee Meeting</b>	<b>Agenda Item</b>	<b>Investment Committee Action</b>	<b>Vote</b>
Closed November 17, 2008	Global Fixed Income – Low Duration Fixed Income Portfolio Update	Approved suspension of certain elements of the High Quality LIBOR and Short Duration policies to prevent the sale of some securities at disadvantageous prices.	Roll Call Vote: YES – Beatty, Berte, Diehr, Feckner, McGuire, Moret, Oliveira, Sheehan, Shimada